

REFERENCE TITLE: higher education; budget reconciliation; 2015-2016.

State of Arizona
Senate
Fifty-second Legislature
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2015

SB 1477

Introduced by
Senators Biggs, Allen, Griffin, Shooter, Yarbrough (with permission of
Committee on Rules)

AN ACT

AMENDING SECTIONS 15-1464, 15-1466, 15-1854 AND 15-1855, ARIZONA REVISED
STATUTES; RELATING TO BUDGET RECONCILIATION FOR HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1464, Arizona Revised Statutes, is amended to
3 read:

4 15-1464. State aid per capita distribution for science,
5 technology, engineering and mathematics and
6 workforce programs: fund: appropriation: report:
7 exception

8 A. In addition to the appropriation prescribed in section 15-1463,
9 subsection A, this state shall pay to each community college district state
10 aid for science, technology, engineering and mathematics and workforce
11 programs in the following manner:

12 1. For fiscal year 1992-1993 for a community college district ~~which~~
13 ~~THAT~~ had less than five thousand actual full-time equivalent students
14 according to the most recent fiscal year actual full-time equivalent student
15 count, the amount determined by multiplying the number of actual full-time
16 equivalent students according to the most recent fiscal year actual full-time
17 equivalent student count by two hundred seven dollars.

18 2. For fiscal year 1992-1993 for a community college district ~~which~~
19 ~~THAT~~ had five thousand or more actual full-time equivalent students according
20 to the most recent fiscal year actual full-time equivalent student count, the
21 amount determined by multiplying the number of actual full-time equivalent
22 students according to the most recent fiscal year actual full-time equivalent
23 student count by one hundred fifty-eight dollars.

24 3. Beginning with fiscal year 1993-1994, the legislature shall adjust
25 by the growth rate for common and high school districts as provided by law,
26 subject to appropriation, the amount of state aid to community college
27 districts as provided in paragraphs 1 and 2 of this subsection.

28 B. The basis for computing full-time equivalent students for the
29 science, technology, engineering and mathematics and workforce programs per
30 capita distribution shall be on the same basis as the computation prescribed
31 in section 15-1466.01.

32 C. In addition to the formula to determine the appropriations
33 prescribed in section 15-1463, subsection A and subsection A of this section,
34 this state may pay additional amounts for science, technology, engineering
35 and mathematics and workforce programs to a community college district based
36 on requests from the district.

37 D. Appropriations for science, technology, engineering and mathematics
38 and workforce programs made pursuant to subsections A and C of this section
39 and section 15-1463 shall be made to an account designated as the science,
40 technology, engineering and mathematics and workforce programs fund. Monies
41 in the fund shall be used for science, technology, engineering and
42 mathematics and workforce programs purposes, and the expenditures may
43 include:

44 1. Partnerships with businesses and educational institutions.

1 2. Additional faculty for improved and expanded classroom instruction
2 and course offerings.

3 3. Technology, equipment and technology infrastructure for advanced
4 teaching and learning in classrooms or laboratories.

5 4. Student services such as assessment, advisement and counseling for
6 new and expanded job opportunities.

7 5. The purchase, lease or lease-purchase of real property, for new
8 construction, remodeling or repair of buildings or facilities on real
9 property.

10 E. At the beginning of each fiscal year, the district board shall
11 present to the department of administration a claim for the annual amount
12 appropriated by the legislature and assigned to the district for science,
13 technology, engineering and mathematics and workforce programs purposes. The
14 department of administration shall draw a warrant in payment of the claim and
15 shall transmit the warrant to the state treasurer who shall disburse the
16 funds to the district for science, technology, engineering and mathematics
17 and workforce programs purposes, to be expended as provided by law. If no
18 community college exists, the department shall establish a fund for new
19 future community college districts to be disbursed as needed.

20 F. Notwithstanding subsection E of this section, a community college
21 district may request the state treasurer to disburse the monies to the local
22 government investment pool for deposit into the district's account as
23 established in section 35-326.

24 G. Each district has the option of using up to twenty ~~per-cent~~ PERCENT
25 of its total science, technology, engineering and mathematics and workforce
26 programs aid appropriation for operating aid purposes or taking this same
27 amount out of the district's total operating state aid appropriation and
28 using it for science, technology, engineering and mathematics and workforce
29 programs purposes.

30 H. On or before December 1 of every even-numbered year, each community
31 college district shall submit a report of its science, technology,
32 engineering and mathematics and workforce programs plan activities and the
33 expenditures authorized in this section to the governor, president of the
34 senate, speaker of the house of representatives, joint legislative budget
35 committee and Arizona commerce authority. The report shall include the
36 purpose and goals for which the science, technology, engineering and
37 mathematics and workforce programs monies were expended by each district with
38 a general accounting of the expenditures. Each community college district
39 shall transmit a copy of this report to the secretary of state.

40 I. A COMMUNITY COLLEGE DISTRICT THAT IS LOCATED IN A COUNTY WITH A
41 POPULATION OF THREE HUNDRED FIFTY THOUSAND PERSONS OR MORE IS NOT ELIGIBLE TO
42 RECEIVE STATE AID FOR SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS AND
43 WORKFORCE PROGRAMS AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

1 Sec. 2. Section 15-1466, Arizona Revised Statutes, is amended to read:
2 15-1466. State aid; eligibility; limitations

3 A. Subject to legislative appropriation, the legislature shall
4 determine and appropriate the amount of state aid each fiscal year to each
5 district possessing the qualifications as prescribed in this chapter.

6 B. The state shall determine the amount of state aid, as prescribed in
7 subsection D of this section, appropriated to each district for the fiscal
8 year prior to the fiscal year for which the state aid is being calculated.

9 C. Each district qualified under this chapter shall have its state aid
10 adjusted in an amount that reflects the growth or decrease in the full-time
11 equivalent student count of the district calculated as follows:

12 1. Calculate the growth or decrease in the actual, audited full-time
13 equivalent student count between the second and third most recent fiscal
14 years prior to the fiscal year for which the state aid is being calculated
15 for each district.

16 2. Calculate the average appropriation per full-time equivalent
17 student for all districts by dividing the amount determined in subsection B
18 of this section by the actual, audited full-time equivalent student count for
19 all districts in the most recent fiscal year.

20 3. Multiply the amount calculated in paragraph 1 of this subsection by
21 the average appropriation calculated in paragraph 2 of this subsection. This
22 amount equals the adjustment required pursuant to this section.

23 D. The total amount appropriated to each district each fiscal year in
24 accordance with this section shall serve as the amount of state aid to be
25 adjusted in the next fiscal year. A district is eligible for growth funding
26 pursuant to this section only for the portion of its most recent audited
27 full-time student equivalent count that exceeds the audited full-time student
28 equivalent count recorded for the district for the most recent fiscal year in
29 which an adjustment was previously made pursuant to subsection C of this
30 section.

31 E. To be eligible for state aid, a district shall:

32 1. Be equipped with suitable buildings, equipment and campus.

33 2. Have at least three hundred twenty full-time equivalent students
34 attending in the district.

35 3. Have complied with all of the requirements of the district board,
36 including budgets and curriculum.

37 4. **BE LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN THREE HUNDRED**
38 **FIFTY THOUSAND PERSONS.**

39 F. The total amount of state monies that may be spent in any fiscal
40 year by a district for operating state aid shall not exceed the amount
41 appropriated or authorized by section 35-173 for that purpose.
42 Notwithstanding section 15-1444, this section shall not be construed to
43 impose a duty on an officer, agent or employee of this state to discharge a
44 responsibility or to create any right in a person or group if the discharge
45 or right would require an expenditure of state monies in excess of the

1 expenditure authorized by legislative appropriation for that specific
2 purpose, including any duties prescribed in an employment contract entered
3 into pursuant to section 15-1444, subsection A, paragraph 6.

4 G. In addition to the formula to determine the state aid
5 appropriations prescribed in this section, the state may pay additional
6 amounts for state aid to a district based on requests included in the
7 district's budget request.

8 H. This section does not entitle a community college operated by a
9 qualified Indian tribe to state aid for community colleges pursuant to this
10 chapter.

11 Sec. 3. Section 15-1854, Arizona Revised Statutes, is amended to read:
12 15-1854. Private postsecondary education student financial
13 assistance program; fund; definition

14 A. A private postsecondary education student financial assistance
15 program is established. The commission shall develop, implement and
16 administer the program. A student who obtains an associate degree from a
17 community college district or from a community college under the jurisdiction
18 of an Indian tribe in this state that meets the same accreditation standards
19 as a community college district and who registers for enrollment as a
20 full-time student in a baccalaureate program at a private, nationally or
21 regionally accredited four year degree granting college or university
22 chartered in this state is eligible to submit an application to the
23 commission for participation in the program. The commission shall establish
24 eligibility criteria for the program, including financial need and academic
25 merit, shall develop application forms, procedures and deadlines and shall
26 select qualifying students each year for participation in the program.
27 Participating students shall receive an award in an amount of up to two
28 thousand dollars annually not to exceed two years or four thousand dollars to
29 be used to pay all or a portion of the tuition and fees charged at the
30 private, accredited four year college or university.

31 B. A private postsecondary education student financial assistance fund
32 is established consisting of legislative appropriations. The commission
33 shall administer the fund. Monies in the fund are exempt from the provisions
34 of section 35-190 relating to lapsing of appropriations. The commission
35 shall make awards for payment of tuition at eligible colleges or universities
36 to students who are selected to participate in the private postsecondary
37 education student financial assistance program pursuant to subsection A of
38 this section.

39 C. The commission shall develop a program evaluation procedure in
40 order to determine the effectiveness of the private postsecondary education
41 student financial assistance program in shifting students who would have
42 otherwise attended a public four-year college or university to private
43 four-year degree granting colleges or universities.

44 D. A student who fails to receive a baccalaureate degree within a
45 three-year period of receipt of the program award shall reimburse the private

postsecondary education student financial assistance fund for all awards received pursuant to subsection A of this section. On receipt of supporting documentation from the student, for good cause shown the commission may provide for extensions of the three year period to obtain a baccalaureate degree.

E. THE COMMISSION MAY USE MONIES COLLECTED FROM STUDENTS PURSUANT TO THIS SECTION FOR THE PURPOSES OF ADMINISTERING THE LOAN PROGRAMS ESTABLISHED BY THIS ARTICLE AND SECTION 15-1855.

~~E.~~ F. For the purposes of this section, "community college district" means a community college district that is established pursuant to sections 15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision of this state.

Sec. 4. Section 15-1855, Arizona Revised Statutes, is amended to read:

15-1855. Postsecondary education grant program; fund; program termination; definition

A. The commission ~~on~~ FOR postsecondary education shall develop, implement and administer a postsecondary education grant program. The commission shall develop application forms, procedures and deadlines and shall select eligible students each year for participation in the postsecondary education grant program. The commission may establish partnerships with qualifying schools for the administration of the postsecondary education grant program. Participating full-time students shall receive a grant in an amount of two thousand dollars annually for a maximum of four calendar years to be used to pay all or a portion of the following:

1. The tuition charged at a qualifying school.
2. The cost of books required for classes at a qualifying school.
3. The fees charged at a qualifying school.

B. The amount of a grant awarded to a participating part-time student enrolled at least half-time for the academic year as defined in 20 United States Code section 1088 shall be prorated in accordance with the part-time status of the student.

C. Employees of private postsecondary institutions and family members of employees of private postsecondary institutions are not eligible to receive a postsecondary education grant pursuant to this section if the employee or family member is eligible for tuition reimbursement or a tuition waiver as a benefit of employment.

D. A student who has a baccalaureate degree from any postsecondary educational institution is not eligible to receive postsecondary education grant monies pursuant to this section.

E. Students who provide satisfactory proof to the commission that the student has met each of the following criteria are eligible to submit an application for consideration by the commission for a grant under the postsecondary education grant program:

1 1. The student either:

2 (a) Is currently a resident of this state and has been a resident of
3 this state for at least the past twelve months.

4 (b) Is a member of the military service of the United States stationed
5 in this state or the spouse or dependent of a member of the military service
6 of the United States stationed in this state.

7 2. The student has met the qualifications adopted by the commission.
8 The commission shall adopt minimum qualifications that are comparable to the
9 admissions standards established by the Arizona board of regents for Arizona
10 public universities.

11 3. The student registers for enrollment as a student in a
12 baccalaureate program at a nationally or regionally accredited private
13 postsecondary educational institution in this state that awards four year
14 baccalaureate degrees.

15 4. The student has provided high school transcripts as proof of
16 graduation if the student has graduated from a public or private high
17 school. If high school records no longer exist for a student or after every
18 reasonable effort has been made to obtain official records, the student may
19 submit a letter certified by the high school from which the student graduated
20 or the original high school diploma.

21 5. The student has completed and submitted a free application for
22 federal student aid.

23 6. The student is a citizen or legal resident of the United States or
24 is otherwise lawfully present in the United States.

25 7. If the student is eligible to apply for monies from the private
26 postsecondary education student financial assistance fund established by
27 section 15-1854, the student shall apply for and receive monies from the
28 private postsecondary education student financial assistance fund before the
29 student is eligible to apply for a grant from the postsecondary education
30 grant fund established by this section.

31 F. The postsecondary education grant fund is established consisting of
32 legislative appropriations. The commission shall administer the fund.
33 Monies in the fund are continuously appropriated and are exempt from the
34 provisions of section 35-190 relating to lapsing of appropriations. The
35 commission shall make awards for payment of tuition at qualifying schools to
36 students who are selected to participate in the postsecondary education grant
37 program pursuant to subsection A of this section.

38 G. If the amount of monies available for postsecondary education
39 grants in any fiscal year is insufficient to provide grants to all eligible
40 applicants, the commission shall award grants to eligible students in the
41 order in which the applications were received by the commission, except that
42 priority shall be given to qualifying students who received a grant in the
43 previous fiscal year and who are still in good academic standing at the same
44 qualifying school. The commission shall maintain a waiting list for all
45 other applicants.

H. A student who fails to receive a baccalaureate degree within a five-year period of receipt of the program award shall reimburse the postsecondary education grant fund for all awards received pursuant to subsection A of this section. On receipt of supporting documentation from the student, for good cause shown the commission may provide for extensions of the five year period to obtain a baccalaureate degree. [THE COMMISSION MAY CONTRACT WITH A THIRD-PARTY VENDOR FOR THE PURPOSE OF COLLECTING LOAN REPAYMENTS FROM STUDENTS PURSUANT TO THIS SECTION.](#)

I. The commission shall submit an annual report to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee that includes a detailed description of the amount of monies distributed under the postsecondary education grant program during the previous fiscal year and that includes the total number of qualified applicants for grants, the total number of grants awarded, the qualifying schools attended by grant recipients and the total number of qualified applicants who were placed on the waiting list. The commission shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

J. If the commission is notified by a qualifying school that a student who has received a postsecondary education grant is no longer in good academic standing at the qualifying school, the commission shall immediately discontinue the grant and the student shall reimburse the postsecondary education grant fund for any unused portion or any unlawfully used portion of a grant received pursuant to subsection A of this section.

K. The commission shall develop a marketing strategy that is designed to provide information about the postsecondary education grant program to all high school students in this state.

L. The program established by this section ends on July 1, 2016 pursuant to section 41-3102.

M. For the purposes of this section, "qualifying school" means a nationally or regionally accredited private postsecondary educational institution in this state that offers four year baccalaureate degrees.

Sec. 5. [Financial aid trust fund; required state match](#)

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2015-2016, each dollar raised pursuant to the surcharge on student registration fees assessed pursuant to section 15-1642, subsection A, Arizona Revised Statutes, may be matched by less than two dollars appropriated by the legislature.